

To the Point: CFPB Collection Complaints

Answers from insideCompliance

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for business responsible managers



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Complimentary
Preview

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Introduction

The Consumer Financial Protection Bureau began receiving debt collection complaints in July 2013. Those complaints became publicly viewable on the CFPB's [database](#) on November 6, 2013, at which time there were 5,329. By January 2014, that number had doubled to more than 10,000. On average, 1800-2200 debt collection comments are added to the database *per month*. A lot of this has to do with the very effective marketing on behalf of the CFPB. Most of their publications and news releases will make note of the debt collection database and the opportunity on their website to file complaints.

Complaint Process:

1. The CFPB reviews the complaint to see that it's complete and within their jurisdiction.
2. CFPB weeds out duplicates (different from the Federal Trade Commission's old complaint database).
3. CFPB matches the complaint to a company, then routes it to that company.
4. The company responds.
 - Once a company receives a complaint, it has 15 days to respond or indicate that the complaint response is in progress. That will give you another 45 days, for a total of 60 days to actually submit a response.
 - Complaints can be closed in one of four ways:
 - 1) Monetary relief
 - 2) Non-monetary relief
 - 3) Closed with explanation
 - 4) Closed

The database includes information on the:

- Complaint ID
- Type of product and sub-product
- Issue and sub-issue
- Consumer state
- Zip code
- How the consumer submitted the complaint
- Date the complaint was received
- Date the complaint was sent to the company
- Company name
- Company response
- Whether the response was timely
- Whether the consumer disputed the company response

Signing up for the CFPB portal is the only way for a collection agency to see and respond to the complaints filed against it.

From the Webinar:

In a random sample of 240 consumer complaints, “**continued attempts to collect debt not owed**” is the most common category of complaint, while “**improper contact or sharing of info**” is the lowest issue that consumers have. Upon closer examination of the category “**continued attempts to collect a debt not owed**,” the two major sub-issues are “**the debt is not mine**,” or “**the debt was paid**.” Most of these complaints were **closed with explanation**.

The CFPB will use the complaint data as guidance for future rule-making; the Bureau also shares these complaints with attorneys general, state regulators and state legislators.

Here’s a Tip:

“Now, from your company’s perspective, obviously this data can help you identify strengths and proactively address your weaknesses. You can reduce the risk of complaints and lawsuits, not only to yourself, but also to your creditors and owners of debt for whom you’re collecting.”

*Eric Rosenkoetter
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